

AGN. NO. _____

MOTION BY SUPERVISORS KNABE AND BURKE

August 29, 2006

In the past several years, the Los Angeles Homeless Services Authority (LAHSA) has been marred by inquiries from the US Department of Housing and Urban Development (HUD), as well as audits from the City of Los Angeles and from the County. They continue to fail to live up to their mandate; a mandate that our LAHSA Commissioners, our Auditor, and our CAO believe they cannot meet without additional resources. This is further supported by the Blue Consulting Management Report on LAHSA that was commissioned by the County and the City.

Most concerning is that homeless shelter operators – the ones that are in the trenches serving this challenging population throughout the County – experience unnecessary financial challenges stemming from LAHSA's inability to conduct business in a timely manner. Recently, New Image Emergency Shelter for the Homeless, which serves homeless in the City of Los Angeles as well as the City of Long Beach, wrote to LAHSA explaining that they have to continually borrow on their own line of credit to continue services, while waiting for months to be compensated by LAHSA.

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This is a reality facing not only New Image, but many other critical service providers such as the Salvation Army that rely on timely funding from LAHSA and wait for months to be paid.

The CAO has developed a set of recommendations for use of the \$2 million this Board set aside for LAHSA, including \$250,000 for LAHSA to establish a line of credit. This is a critical fiscal tool that will enable LAHSA to better support their service providers while they process payments.

We cannot wait any longer to address problems with LAHSA that have been brought to our attention time and again, and it is our expectation that LA City will fulfill their obligation to support LAHSA as well.

WE, THEREFORE, MOVE that the CAO authorize transfer of \$250,000 out of the Homeless Housing Program Budget to the Los Angeles Homeless Services Authority for the establishment of a line of credit.

WE, FURTHER, MOVE that the CAO be instructed to negotiate an agreement with the City of Los Angeles to ensure a fair share contribution towards the administrative needs of the Los Angeles Homeless Services Authority.

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